



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

November 3, 2000

Dear Executive Director:

Overall, progress with Welfare-to-Work (WtW) voucher issuance and leasing rates has been mixed. Since last June, the issuance rates have significantly increased from 26% to 85% while leasing rates only increased from 9% to 32%. At this date, 58 of 133 PHAs have issued all of their WtW vouchers but only five PHAs are fully leased up. While some agencies have made exceptional efforts, the Department recognizes that much more remains to be accomplished.

Based on data and reports from several sources, HUD has taken action to address the problem of extremely tight rental markets and rapidly rising costs that have posed obstacles to voucher holders searching for affordable housing. On September 12, 2000, Secretary Andrew Cuomo approved publication of an interim rule that provides relief to PHAs facing such problems and specific avenues to increase fair market rents in response. That rule was published in the *Federal Register* on October 2, 2000.

Based on the rulemaking process, these relief measures will go into effect in early December, a timeframe that largely coincides with the initial WtW voucher program deadline target for full lease-up. Given these circumstances, I am authorizing a six month extension to June 30, 2001 for all WtW voucher program Annual Contributions Contracts. June 30, 2001, will become the new deadline target for full program lease-up.

The combination of these actions is intended to provide needed flexibility for agencies administering WtW vouchers to incorporate changes that will improve leasing and ensure success. Therefore, all participant PHAs will have the opportunity to amend their programs to correspond with the new deadline target for lease-up.

The Department will continue to work with you to achieve this goal. However, if for any reason, you believe success is not possible by the extended deadline, you should immediately contact your WtW voucher technical assistance provider.

The Department recognizes and appreciates your efforts to ensure that valuable Housing Choice Voucher resources are used to provide needed housing assistance to families moving from welfare to work. Thank you for your continued efforts to make this program a success.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Lucas", is positioned below the word "Sincerely,".

Harold Lucas
Assistant Secretary for
Public and Indian Housing